

## Message Text

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ORIGIN AF-08

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STADIS////////////////////////////////////  
FROM AF/C

E.O. 11652: N/A

TAGS: EAID, GB

SUBJECT: GABON ACCESS ROADS LOAN

REF: A) 76 ABIDJAN 11218; 76 LIBREVILLE 02612; C) LIBRE-  
VILLE 0368

1. OUR COUNTERPARTS IN AID HAVE ASKED FOR MEETING APRIL 5  
TO DISCUSS GABON ACCESS ROADS LOAN, PRIOR TO SUBMITTING  
ACTION MEMORANDUM TO ACTING ADMINISTRATOR. IT IS CERTAIN  
THAT THEY WILL PRESS STRONGLY FOR FULL DEOBLIGATION OF LOAN  
IN VIEW OF FACTS OUTLINED REF (A) AND LACK OF ANY PROSPECT  
THAT SITUATION WILL IMPROVE.

2. POLITICAL ARGUMENTS IN FAVOR OF RETENTION REMAIN VALID,  
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BUT IRRELEVANT IF THERE ARE NO WORKABLE MEANS FOR IMPLEMEN-  
TING LOAN. DIFFICULTIES, AS WE SEE THEM, ARE AS FOLLOWS:

A) WE MUST REMAIN WITHIN GENERAL TERMS OF LOAN AS NOW  
DEFINED. TO CHANGE THEM SIGNIFICANTLY, I.E., TO PROPOSE  
ESSENTIALLY NEW 5 MILLION DOLLAR PROJECT, WOULD REQUIRE  
NOTIFYING CONGRESS WHICH COULD AGGRAVATE DIFFICULTIES NOTED

UNDER (C) BELOW.

B) LOAN AS NOW DEFINED DEPENDS, IT APPEARS, ON IMPLEMENTA-

TION OF LARGER FRG-FUNDED PROJECT WHICH IS BOGGED DOWN OVER DISAGREEMENTS BETWEEN FRG AND GOG. JUDGING FROM LATEST STATUS REPORT (REF C), THERE IS NO END IN SIGHT TO THESE DISAGREEMENTS AND INDEED FRG LOAN MAY BE CANCELLED ALTOGETHER;

C) AID SIMPLY CANNOT WAIT INDEFINITELY FOR AGREEMENT BETWEEN FRG AND GOG SINCE IT MUST RESPOND TO CONGRESSIONAL CRITICISM OVER NON-UTILIZATION OF LONG PENDING LOANS.

D) AS PROJECT PROCEEDS, PORTION OF 5 MILLION DOLLARS THAT CAN BE USED UNDER TERMS OF LOAN CONTINUES TO DIMINISH, WITH LATEST ESTIMATE (INCLUDING 500,000 DOLLAR WAIVER OF U.S. PROCUREMENT REQUIREMENT) BEING 835,000 DOLLAR MAXIMUM.

3. OF THESE DIFFICULTIES, CRITICAL ONE IS TIME. AID HAS REACHED POINT WHERE FURTHER OPEN-ENDED DELAYS ARE INTOLERABLE. MEMORANDUM NEXT WEEK TO ACTING ADMINISTRATOR WILL RECOMMEND FULL DEOBLIGATION AS ONLY ALTERNATIVE. TO OPPOSE THIS RECOMMENDATION WE MUST OFFER WORKABLE AND SURE FORMULA WHEREBY LOAN CAN BE IMPLEMENTED IN VERY NEAR FUTURE. BEST WE CAN HOPE FOR, IT APPEARS, IS ONE LAST DEADLINE -- NOT A DISTANT ONE -- BEYOND WHICH ALL FUNDS NOT OBLIGATED WILL BE AUTOMATICALLY DEOBLIGATED. DURING THAT TIME, WE WOULD HAVE TO GO TO THE GOG, LAY ALL CARDS ON THE TABLE, AND LIMITED OFFICIAL USE

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TELL THEM IN EFFECT THAT IF THEY ARE UNABLE TO SORT OUT THEIR PROBLEMS WITH THE FRG BEFORE A CERTAIN DATE, ALLOWING AID TO OBLIGATE ITS LOAN, WE WILL REGRETFULLY HAVE TO WITHDRAW. IF A WAY IS FOUND TO OBLIGATE FUNDS IN ANY AMOUNT, WE COULD THEN TACKLE PROBLEM OF WHETHER PERCENTAGE OF ELIGIBLE EXPENDITURES UNDER TERMS OF LOAN MIGHT BE INCREASED FROM 835,000 DOLLARS TO A MORE RESPECTABLE FIGURE, AND WHETHER BALANCE OUGHT TO BE DEOBLIGATED.

4. WOULD APPRECIATE ANY COMMENTS OR SUGGESTIONS EMBASSY MAY HAVE, SLUGGED FOR AF ONLY, BEFORE APRIL 5.  
CHRISTOPHER

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## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CONSTRUCTION, DEVELOPMENT LOANS, HIGHWAYS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 31-Mar-1977 12:00:00 am  
**Decaption Date:** 22 May 2009  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
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**Subject:** GABON ACCESS ROADS LOAN  
**TAGS:** EAID, GB, US  
**To:** LIBREVILLE  
**Type:** TE  
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